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September 21, 2007

Andy Greynolds
General Manager
East Casey County Water District
P. O. Box 56
320 Shugars Hill Road
Liberty, KY 42539

CERTIFICATE OF SERVICE

RE: Case No. 2007-00393
East Casey County Water District

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on September 21, 2007.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/tw
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
EAST CASEY COUNTY WATER DISTRICT) CASE NO. 2007-00393

O R D E R

On September 6, 2007, East Casey County Water District ("East Casey District") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. East Casey District purchases water from the city of Liberty ("Liberty") and from the city of Russell Springs ("Russell Springs").

2. Liberty notified East Casey District that, effective with the May 1, 2007 billing, Liberty's wholesale water rate to East Casey District would increase from \$2.00 per 1,000 gallons to \$2.38 per 1,000 gallons. Russell Springs notified East Casey District that, effective with the May 16, 2007 billing, Russell Springs' wholesale water rate to East Casey District would increase from \$1.50 per 1,000 gallons to \$1.68 per 1,000 gallons. East Casey District proposes to increase the water rates to its customers effective October 7, 2007. Both notices of wholesale water rate increases were

referenced in East Casey District's prior application for a purchased water adjustment, Case No. 2007-00316, the record of which is incorporated herein by reference.¹

3. East Casey District proposed a purchased water adjustment factor of \$0.44 per 1,000 gallons.

4. During the 12 months ended June 30, 2007, East Casey District purchased a total of 224,308,080 gallons of water and sold 186,196,760 gallons. The increase in the cost of purchased water is \$81,722.07, resulting in a purchased water adjustment factor of \$0.44 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.44 per 1,000 gallons is fair, just, and reasonable and should be approved. Since East Casey District is already incurring the increases in its wholesale water rates, and as East Casey District had previously applied for a purchased water adjustment to reflect these increases, and as its application was denied solely because its wholesale suppliers had failed to provide proper notice to the Commission, East Casey District's proposed retail rates should be approved effective on and after the date of this Order.

IT IS THEREFORE ORDERED that:

1. The rates proposed by East Casey District are approved.
2. The purchased water adjustment factor of \$0.44 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services on and after the date of this Order.

¹ Case No. 2007-00316, Purchased Water Adjustment of East Casey County Water District (Ky. PSC Aug. 29, 2007).

4. The proposed tariff sheets filed by East Casey District are accepted as filed, except as noted herein with respect to the effective date.

Done at Frankfort, Kentucky, this 21st day of September, 2007.

By the Commission

ATTEST:


Executive Director

Case No. 2007-00393

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
 COMMISSION IN CASE NO. 2007-00393 DATED September 21, 2007

	New Rate	Base Rate
City of Liberty		
Purchases in gallons	206,733,080	206,733,080
Volumetric rate	<u>\$ 2.38/1,000</u>	<u>\$ 2.00/1,000</u>
	\$492,024.73	413,466.16
		Increased water cost 78,558.57
City of Russell Springs		
Purchases in gallons	17,575,000	17,575,000
Volumetric rate	<u>\$ 1.68/1,000</u>	<u>\$ 1.50/1,000</u>
	\$29,526.00	26,362.50
		Increased water cost 3,163.50
Increased water cost		\$ 81,722.07
Divided by gallons sold		<u>186,196,760</u>
Purchased water adjustment factor		\$0.44 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00393 DATED September 21, 2007

The following rates and charges are prescribed for the customers in the area served by East Casey County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RATES AND CHARGES

Monthly Water Rates

First	2,000 gallons	\$ 16.28	Per Month
Next	3,000 gallons	6.94	per 1,000 gallons
Next	5,000 gallons	6.64	per 1,000 gallons
Next	5,000 gallons	6.34	per 1,000 gallons
Next	5,000 gallons	6.04	per 1,000 gallons
Over	20,000 gallons	5.44	per 1,000 gallons